COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO. OF BIG SANDY WATER DISTRICT) 2002-00330

ORDER

On September 12, 2002, Big Sandy Water District (Big Sandy) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

- 1. Big Sandy purchases water from the city of Louisa (Louisa) and the city of Kenova (Kenova).
- 2. Louisa notified Big Sandy that effective on September 25, 2002 its wholesale water rate schedule would change from a three-step declining block rate design to a single flat rate of \$1.85 per 1,000 gallons.
- 3. During the 12 months ending June 30, 2002, Big Sandy purchased 35,791,800 gallons of water from Louisa, 243,493,000 gallons of water from Kenova and sold 240,184,900 gallons. The increase in the cost of purchased water is \$27,917.6052, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons.
- 4. In the application Big Sandy proposed an effective date of October 1, 2002.

5. The rates proposed by Big Sandy should be approved.

6. The purchased water adjustment of \$0.10 per 1,000 gallons is fair, just,

and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed rates by Big Sandy are approved.

2. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates

in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable

and are approved for services rendered on and after October 1, 2002.

3. Within 20 days of the date of this Order, Big Sandy shall file with the

Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of October, 2002.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00330 DATED October 14, 2002

The following rates and charges are prescribed for the customers in the area served by Big Sandy Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 X 3/4 Inch Meter First 2,000 Next 8,000 Next 20,000 Next 20,000 Over 50,000	Rate 15.32 Minimum Bill 5.76 per 1,000 gallons 4.63 per 1,000 gallons 3.87 per 1,000 gallons 3.11 per 1,000 gallons
1 Inch Meter First 10,000 Next 20,000 Next 20,000 Over 50,000	\$ 61.40 Minimum Bill 4.63 per 1,000 gallons 3.87 per 1,000 gallons 3.11 per 1,000 gallons
1-1/2 Inch Meter First 30,000 Next 20,000 Over 50,000	\$ 154.00 Minimum Bill 3.87 per 1,000 gallons 3.11 per 1,000 gallons
2 Inch Meter First 50,000 Over 50,000	\$ 231.00 Minimum Bill 3.11 per 1,000 gallons
3 Inch Meter First 100,000 Over 100,000	\$ 386.00 Minimum Bill 3.11 per 1,000 gallons